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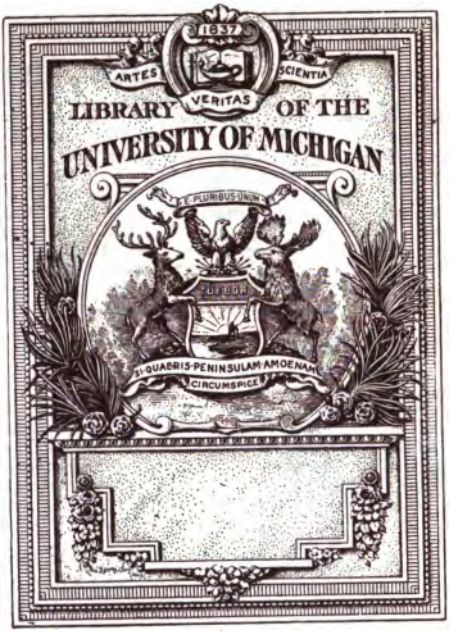

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Without aiming at giving an exhaustive account of the manner in which each separate business is conducted, the technical points in connection with each industry will receive as much attention as is necessary in order fully to elucidate the system of accounts advocated, while each volume will be the work of one who has made that particular class of accounts more or less a speciality. It is obvious, however, that to enable the necessary ground to be covered in the space available, it is incumbent to assume upon the part of the reader a certain knowledge of general bookkeeping. The extent of the knowledge assumed will vary according to the nature of the class of accounts considered. For example, in the volumes on "Bank Accounts" and "Shipping Accounts," a thorough acquaintance with ordinary double-entry bookkeeping is not unnaturally assumed; but in the case, for instance, of "Auctioneers' Accounts," "Domestic Tradesmen's Accounts," and other similar volumes, such explanations are included as will enable the ordinarily intelligent reader fully to grasp the methods described, even although his knowledge of bookkeeping may be of an elementary description. These explanations are, doubtless, superfluous as far as accountants are concerned, but are necessary to make the volumes of value to the majority of those specially engaged in these particular industries.

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of the theory of double-entry as described in general works on bookkeeping.

The first series (of twenty volumes) has already been completed, and particulars of the subjects dealt with will be found on p. i. A second series (which will comprise about thirty more volumes) is now in progress, which when issued will complete the scheme. Many of these have already been arranged for, but the Editor will be glad to receive suggestions and offers from accountants of experience for the undertaking of volumes not yet announced.

34 Moorgate Street,
London, E.C.
June 1903.

AUCTIONEERS' ACCOUNTS.

AUCTIONEERS' ACCOUNTS.

AUCTIONEERS' ACCOUNTS.

INTRODUCTION.

THE class of business transacted by auctioneers varies considerably according to the circumstances of the particular case, but in the present work it is proposed to deal with the following classes of transactions, which, it is thought, may be fairly assumed to cover the subject:—

(1) Miscellaneous Sales by Auction,
(2) Sales by Auction of Specific Properties,
(3) The Letting of Properties for the Owners,
(4) The Collection of Rents of Properties,
(5) The Sale of Properties by Private Treaty,
(6) Valuations of Properties and Chattels,
(7) Insurance Agency Business.

It is proposed, in the first place, to explain shortly the nature of the transactions in connection with each of the above headings, then to describe a system of accounts suitable for normal requirements, and also to show how this system may be varied to meet the circumstances of slightly different cases.

Miscellaneous Sales by Auction.—

Under this heading are comprised those sales which certain auctioneers hold from time to time at which chattels belonging to different owners are offered by auction. The books in these cases require a distinct account to be kept of the disposal of the various lots offered for sale, and of the amounts for which the auctioneer is accountable to the respective vendors.

Sales by Auction of Specific Properties.—

These will arise when the property offered is of sufficient importance to merit a separate sale for that specific purpose. The accounts in this case will therefore differ from those under the preceding heading in that it will only be necessary to account to one vendor for the proceeds. Occasionally two, three, or four different properties will in practice be offered for sale at the same time; but even then the records necessary to

duly account to each vendor are so simple as to necessitate no material departure from the system applicable in the case of a single vendor. Accounts under this heading will almost exclusively consist of freehold, copyhold, or leasehold properties; and they will therefore present this material difference from miscellaneous sales, that instead of the auctioneer receiving the whole of the purchase-money, and accounting therefor to the vendor, he would only receive a deposit on the purchase, the actual completion of the sale being carried through by the vendor's solicitors, who receive the balance.

Letting of Properties.—

Under this heading it is necessary to keep a record of all lettings effected, so that the properties let may be struck off the Register, and the commissions chargeable upon all lettings effected debited to the various owners.

Collection of Rents.—

This forms a considerable item in the business of many auctioneers, especially in the provinces. It is important that a proper record should be kept of the moneys received and of all disbursements (including allowances to tenants), as well as of rent in arrear and bad debts incurred. The net proceeds must, of course, be remitted to the landlord periodically, subject to deduction of the commission charged on collection.

Sales by Private Treaty and Valuations.—

The transactions here are comparatively simple, but a correct record of them is none the less desirable, so that nothing may be lost sight of.

Insurance Agencies.—

These also in many cases are a somewhat important item. The books should be framed upon such a system as to show clearly the various amounts receivable from the different policy-holders, and the amount for which the agent is to account to each of the insurance companies for which he acts, the various expenses incurred and the commission earned on collection being first charged up against each separate company.

THE ACCOUNTS OF AUCTIONEERS, VALUERS, & ESTATE AGENTS.

I.

In designing a set of accounts suitable for any particular business, it is important to take into consideration the number of persons that are likely to be engaged upon the keeping of the books, so that upon the one hand these various persons may—as far as possible—afford a check upon each other's accuracy, and upon the other hand that the total number of books to be kept is not unduly multiplied. In dealing with the accounts of auctioneers, &c., there is some difficulty in applying these principles generally, in that the volume of business transacted varies enormously, while the relative importance of the various branches already enumerated will also be found to differ in almost every instance. It is thought, however, that such a handbook as this is most likely to be found of general utility if a concern of medium magnitude be assumed, transacting those classes of business which are more commonly undertaken by the majority of firms; while, for the sake of completeness, it is proposed—in addition to indicating how such a set of accounts may best be kept—to show in what manner that system may be condensed where necessary, and also how the records in connection with the various supplementary branches may be grafted on to the main system without materially interfering therewith. It is thought that this method of exposition will be found especially valuable in connection with auctioneers' accounts, because it not infrequently happens that an auctioneer

may at some subsequent date wish to add an additional branch to a then existing business, and the problem of grafting the extra books required on to an existing system then arises naturally and requires to be dealt with in that form, unless an altogether new system be called into requisition.

For the sake of simplicity it is therefore proposed in the first instance to deal with the accounts of an auctioneer whose business consists of periodical sales of miscellaneous articles, collection of rents, miscellaneous lettings, valuations, and sales by private treaty. These will be elucidated by the aid of *pro formâ* transactions, and the modifications necessary where there is any important extension of these branches will also be indicated.

Waste Book.—

Most theoretical works upon bookkeeping point out at a very early stage that the fundamental books employed in every class of business are the Cash Book, the Journal, and the Ledger. In practice it is extremely rarely that this statement can be unconditionally accepted as the best method of recording every-day transactions; but with regard to the accounts of auctioneers, it may probably be regarded as forming the best fundamental basis for the vast majority of transactions. It is, indeed, possible to go further, and to add that the *rough* Journal (or Waste Book, as it is frequently called in theoretical treatises) would usually be found of considerable utility to auctioneers, especially where all the transactions do not at their first stage go through the hands of one person, and it is therefore desirable that there should be a book open to everybody in the office, in which the inception of each new transaction may be at once recorded.

In the case of ordinary merchants dealing in the buying and selling of goods, the only transactions which it is of vital

importance should be recorded forthwith are those relating to goods sold. These would be at once recorded by the entering clerk in the Day Book, and care taken to see that no goods are sent off the premises until they have been so entered. The record of goods received, while second in importance, does not require such immediate attention, in that these goods are ordinarily accompanied by an invoice, which, if duly filed, forms a sufficient record for the moment, while the record of cash received and cash paid is, for initial purposes, sufficiently preserved by the Counterfoil Receipt Book and the Counterfoil Cheque Book. In the case of an auctioneer, however, while no difficulty whatever arises in connection with the record of cash, the transactions other than cash do not, under ordinary circumstances, consist mainly—or even at all—in the buying and selling of one's own goods. They consist in the selling of goods on behalf of others to whom strict account has been rendered and from whom commission has been recovered, and in otherwise dealing with the property of others, from whom the charges in respect of so dealing have to be obtained. The fact that nothing tangible has passed renders it exceptionally important that a definite record should be kept, to avoid any omission to charge up fees recoverable from clients; while the fact that many auctioneers deal largely in moneys belonging to their clients, which are held temporarily in trust for them, renders it exceptionally important that the records should be most carefully made. Add to this the further fact that the income of most auctioneers is derived from many sources, whereas that of ordinary traders is derived from one source alone (namely, the selling of goods at a profit), and it will readily be perceived that the ordinary commercial system of dispensing with the old-fashioned Journal in favour of specialised Journals, or Day Books, is not applicable in its entirety, except in the case of those conducting a business of exceptional magnitude.

Cash Book.—

In this book should be recorded, generally speaking, all moneys received and paid on account of the business. For the sake of convenience, however, and because it is clearly desirable that all transactions entered in the Cash Book should be passed through the Bank, small payments—whether on account of the business or on account of clients—which are made in cash should be recorded through the Petty Cash Book (which will be dealt with later), and not through the Cash Book itself. The funds necessary to make these payments are supplied by periodically drawing cheques from the Bank in favour of the petty cashier.

Another exception to the general rule laid down may be afforded where the moneys received on account of clients are considerable. In such cases it is clearly desirable that these moneys should be separately banked, and not mixed up with the auctioneer's own funds. It is a breach of trust for anyone occupying the position of trustee to mix trust moneys up with his own, and although an auctioneer does not always stand in the position of a trustee, and although in small matters this rule may fairly be disregarded, yet when the sums involved are considerable it should on no account be neglected. Where large sums are received by way of deposit on the sale of properties, the best way is to at once place them on deposit at the Bank under a separate account, and in such cases the most convenient record is to pass them through the general Cash Book as being received from the purchaser, and as having been paid over to the Banker; but in the case of numerous small items, as, for instance, when the auctioneer collects the rents of a large estate, the most convenient method will probably be to pay all rents received into a separate (special) banking account, and to make no entries thereof in the general Cash Book. When this plan be adopted the only entry whatever in the firm's own books in connection with the matter will be the drawing out from the separate Bank

Account of the amount due to the firm from time to time in respect of commission on collection. This system has the further material advantage of decreasing the amount of book-keeping in connection with the firm's own accounts. Separate books must, however, of course, be kept to record the dealings of the Trust Account.

Petty Cash Book.—

As has been already explained, this book is used for the record of small payments, whether made on account of the business or for clients, the funds required for the purpose of such payments being supplied by cheques drawn on the firm's Bankers. Theoretically, the best check upon the clerk keeping the petty cash is to supply him with a floating balance, and at the end of each week (or each month) to give him a cheque for the exact amount disbursed by him during that period, again restoring the floating balance. But as this system may not be found convenient in practice, it is suggested here that the alternative method be adopted of keeping the amount of cash in the petty cashier's hands as low as possible, and of adjusting matters by requiring him to return to the cashier at the end of each month or each quarter the amount then still remaining in hand, so that it may then be banked, and, when the books are balanced and a Balance Sheet prepared, the whole of the cash belonging to the firm may be deposited with the bankers. If for no other reason, this system is a good one to adopt, as it ensures the petty cashier's balance being proved to be in existence at least monthly or quarterly, as the case may be; while incidentally it is of value, as compelling the Petty Cash Book to be actually written up to date at least so often, which is especially important in view of the fact that many of the payments incurred have probably to be charged up against clients.

The precise form of Petty Cash Book employed will to some extent depend upon the nature and magnitude of the business.

In some cases it will be found convenient to employ a book with a large number of columns, so that the payments may be kept analysed from day to day under the various accounts that would have to be charged, while in others it may be found simpler to make the analysis weekly or monthly. Speaking generally, however, the most convenient course would appear to be to at all events analyse the payments under three headings —namely, "specific payments chargeable direct to clients"; "payments chargeable against the business"; and "general payments," which will eventually have to be split up and (at all events for the most part) charged against clients. The last-named is the system which will be found exemplified in the *pro formâ* example contained in this work, and from this the best method of procedure under each of the first two named cases will be readily perceived.

Ledgers.—

The number of Ledgers to be employed is, it is perhaps hardly necessary to point out, entirely a matter of convenience, dependent upon the nature and magnitude of the business. It is generally, however, convenient to keep—

(1) A separate Private Ledger, containing Capital Accounts, Drawing Accounts, Business Premises Account, Fixtures and Furniture Account, Profit and Loss Accounts, and Balance Sheets; while in many cases it is desirable for the sake of privacy to keep the Commissions Received Account also in this book. The further sub-division of the Ledger is, however, a matter entirely of convenience, depending upon no general principles. The following further sub-divisions may, however, be suggested as being applicable to a fairly large business, which might be adopted either in whole or in part in concerns of smaller magnitude:—

(2) Creditors' Ledger (to contain also all Nominal Accounts not included in the Private Ledger).

(3) Rent Collection Ledger.

(4) Auctions Ledger.

(5) Clients' Ledger.

In comparatively small businesses, however, the balance of advantage will probably be in favour of employing only one General Ledger, or perhaps two Ledgers for clients and creditors respectively.

Auction Sales.—

Most of the transactions of an auctioneer can be readily traced in the *pro formâ* example which will be shown later on, but with regard to auction sales some little preliminary explanation is, perhaps, desirable.

Taking first of all a miscellaneous sale (which has been already defined as a sale by auction of numerous articles belonging to several vendors), in addition to the ordinary catalogues prepared for the use of the public, it is desirable that a few copies should be obtained printed on extra thick paper, and interleaved with sheets of plain paper, for use as "MARKED CATALOGUES." Those copies in use while the actual sale takes place will be ruled so as to present the following form:—

MARKED CATALOGUE (Clerk's).

(Page of ordinary Catalogue, as printed)	Lot No.	Purchaser's Name	Price Sold £	s	d	Vouch'r No.	Cash received £	s	d
LOT		Forward ..	69	12	0	..	69	12	0
58 Brass mounted fender	58	A. Jones	0	12	6	1	0	12	6
59 Large skin hearthrug	59	R. Brown	0	15	0	82	0	15	0
60 Large bordered Wilton pile carpet	60	Ditto	1	3	0	,,	1	3	0
61 Walnut overmantel fitted with bevelled plates and shelves for china	61	J. Beverley	5	0	0	19	5	0	0
62 Chippendale bracket clock	62	T. Roberts	2	17	6	27	2	17	6
63 Pair of china vases	63	I. Moses	1	10	0	115	1	10	0
64 **Handsome 5ft. brass Italian bedstead**	64	A. Jones	8	5	0	1	8	5	0
65 A 5ft. wire spring mattress	65								
66 Drapery as fitted to bedstead	66								
67 A 5ft. mattress	67								
68 A ditto	68								
69 A 5ft. feather bolster and 2 ditto pillows	69	Do.	4	4	0	1	4	4	0
70 Pair of linen sheets and 2 ditto pillow cases	70								
71 Pair of full size witney blankets	71								
72 Pair of ditto	72								
73 Full size white marcella quilt	73								
74 Swiss lace bed coverlet	74								
75 **Superior carved walnut bedchamber suite, comprising a 6ft. 6in. projecting centre wardrobe fitted with 5 drawers and cupboards, with hanging compartments on either side, enclosed by long silvered glass doors**	75	J. Beverley	15	0	0	19	15	0	0
76 A 4ft. 6in. sunk centre pedestal dressing table fitted with 11 drawers and a large swing glass in centre. The pedestal washing table fitted with cupboard and a drawer, rouge marble top and plate glass back, 3 carved walnut chairs, bedside cupboard and towel horse	76	E. Smith	4	17	6	70	4	17	6
		Forward ..	113	16	6		113	16	6

It will be seen that the left-hand side of the page corresponds with the printed copy of the catalogue, while on the right-hand side space is provided for repeating the lot number, adding thereto the name of the purchaser and the price realised. A column for the number of receipt given and an additional Cash column are also added, the object of which will be explained later.

One copy of the Marked Catalogue in this form will be before the auctioneer at the time of the sale, while his clerk will be supplied with another copy.

With regard to the auctioneer's *own* Marked Catalogue, the extreme right-hand money column may be conveniently used for recording in red ink the reserve price of the various lots (where any has been fixed), so that the auctioneer may have this very necessary information before him in the most convenient form; while in the space for "Voucher No." the *vendor's* name will appear, so that the auctioneer may know when he can offer two or more lots together if opportunity serves. The clerk's Marked Catalogue will be exactly as shown in the example on page 8.

Both the auctioneer and the clerk will note, as each lot is knocked down, the name of the purchaser and the purchase-price. It is desirable that this record should be thus kept in duplicate to avoid disputes; but from a bookkeeping point of view this, of course, is not essential, and the auctioneer's record is for purposes of reference only.

Before any lots can be cleared it is necessary that they should be paid for, and as some purchasers will probably wish to take away their purchases forthwith the auctioneer's clerk should be empowered to receive money at any time during the progress of the sale. On reference to his Marked Catalogue he can at once see the amount payable by any purchaser to enable him to clear his lots, and, on receiving payment, will enter up the Counterfoil Receipt Book shown on page 10.

1

Sale on 8/1/01,

At Own Rooms.

Purchaser—A. Jones.

Lot	£	s	d
58	0	12	6
64	8	5	0
65-74	4	4	0
	£13	1	6

1

Sale on 8/1/01,

At Own Rooms.

Purchaser—A. Jones.

Lot	£	s	d
58	0	12	6
64	8	5	0
65-74	4	4	0
	£13	1	6

Paid

KNOCK & DOWN,

per R. S.

The right-hand portion (which is handed to the purchaser) represents his voucher, and will enable him to clear the lots named thereon. As the various lots are paid for, the clerk should also fill in the two right-hand columns in his Marked Catalogue with the number of the receipt given and the amount received respectively, so that at a glance it may be obvious which lots have been paid for and which are still uncleared.

To save explanation later on, it may be pointed out here that, where no entry whatever occurs on the right-hand side of the "marked" catalogue, it is to be implied that the lot in question has not been sold, and that it is held at the disposal of the vendor until further orders.

Returning to the Counterfoil Receipt Book (which may usually be bound up in numbers of 100 or upwards, and which for convenience sake will be referred to hereafter as the AUCTIONS CASH BOOK), at the end of this book should be included a Summary, thus—

AUCTIONS CASH BOOK.

Summary.*

	£	s	d	cf.	£	s	d	cf.	£	s	d	cf.	£	s	d	cf.	£	s	d
1	13	1	6	21				41				61				81			
2				22				42				62				82			
3				23				43				63				83			
4				24				44				64				84			
5				25				45				65				85			
6				26				46				66				86			
7				27	2	17	6	47				67				87			
8				28				48				68				88			
9				29				49				69				89			
10				30				50				70				90			
11				31				51				71				91			
12				32				52				72				92			
13				33				53				73				93			
14				34				54				74				94			
15				35				55				75				95			
16				36				56				76				96			
17				37				57				77				97			
18				38				58				78				91			
19	20	0	0	39				59				79				99			
20				40				60				80				100			
cf.				cf.				cf.				cf.				cf.			

This forms a record in order of payment of the various sums received upon the sale of lots. At the end of each day, when the money received is handed over to the cashier, the amounts received up to that date should be totalled in red ink; while, when all lots have been cleared, the total of the extreme right-hand column in the Marked Catalogue should, of course, agree with the total cash received as shown by the above Summary.

All the lots purchased will, however, not be paid for on the date of sale, so the Auctions Cash Book in respect of any particular sale will doubtless have to be continued in use for two or three days longer. The amount received each day should, however, be handed over to the cashier, and entered by him in the General Cash Book and paid into the Bank. The amounts

* Only those figures are shown in the example that relate to the transactions indicated on the specimen page of the Marked Catalogue.

so received will be posted in the Ledger to the credit of an account headed "Sale No. —," and when all lots have been cleared the total standing to the credit of this account will agree with the extreme right-hand column of the clerk's "Marked" Catalogue. This affords a reliable record that all the proceeds are duly accounted for, and guards against any lots being taken away before payment.

Some few days after the sale has been completed the time will arrive for the payment to the various vendors of the amounts to which they are respectively entitled. These may be conveniently recorded in a separate series of Marked Catalogues, which, for convenience sake, may be called "VENDORS' MARKED CATALOGUES." The system is upon the same lines as that previously shown, but the details slightly vary, as, in addition to the number and particulars of the lot, and the amount realised, it is necessary to record the vendor's name, the commission charged, and the net amount paid to him. It is also convenient that the vendor should sign in this book, as having received the amount to which he is entitled, and to enable this to be done, it is sometimes convenient that the Vendors' Marked Catalogue should be slightly larger in size than the actual catalogues of sale issued to the public. As, however, there are reference numbers against each line of figures of the lot to which they relate, there is no trouble in arranging this; but a page of this book should always correspond with a page of the printed catalogue. The form recommended is shown on page 13.

VENDORS' MARKED CATALOGUE.

(Page of Catalogue pasted in here)	Lot No.	Price Realised	Commission	Fo.	Amount paid to Vendor	Vendor's Signature
		£ s d	£ s d		£ s d	
LOT		69 12 0	3 19 3		65 12 9	
58 Brass mounted fender	58	0 12 6	0 1 3		0 11 3	
59 Large skin hearthrug	59	0 15 0	0 1 6		0 13 6	
60 Large bordered Wilton pile carpet	60	1 3 0	0 1 2		1 1 10	
61 Walnut overmantel fitted with bevelled plates and shelves for china	61	5 0 0	0 5 0		4 15 0	
62 Chippendale bracket clock	62	2 17 6	0 2 11		2 14 7	
63 Pair of china vases	63	1 10 0	0 1 6		1 8 6	
64 **Handsome 5ft. brass Italian bedstead**	64	8 5 0	0 8 3		7 16 9	
65 A 5ft. wire spring mattress	65					
66 Drapery as fitted to bedstead	66					
67 A 5ft. mattress	67					
68 A ditto	68					
69 A 5ft. feather bolster and 2 ditto pillows	69					
70 Pair of linen sheets and 2 ditto pillow cases	70	4 4 0	0 4 3		3 19 9	
71 Pair of full size witney blankets	71					
72 Pair of ditto	72					
73 Full size white marcella quilt	73					
74 Swiss lace bed coverlet	74					
75 **Superior carved walnut bedchamber suite, comprising a 6ft. 6in. projecting centre wardrobe fitted with 5 drawers and cupboards, with hanging compartments on either side, enclosed by long silvered glass doors**	75	15 0 0	0 15 0		14 5 0	
76 A 4ft. 6in. sunk centre pedestal dressing table fitted with 11 drawers and a large swing glass in centre. The pedestal washing table fitted with cupboard and a drawer, rouge marble top and plate glass back, 3 carved walnut chairs, bedside cupboard and towel horse	76	4 17 6	0 4 11		4 12 7	
		113 16 6	6 5 0		107 11 6	

As the payments are being made a record should be kept in an ordinary single-column Cash Book, called here for the sake of reference "THE VENDORS' PAYMENTS BOOK." This will simply contain, under the date when the payment is made, the folio in the Vendors' Marked Catalogue, the vendor's name, and the amount paid. These references should be cross-folioed into the Vendors' Marked Catalogue in the column there shown. If, however, it should be preferred, there is no reason why the vendor's signature should not be obtained in the Payments Book, and the entries subsequently posted therefrom into the Marked Catalogue, under the ordinary system observed in posting from Cash Book to Ledger.

With regard to these payments to vendors, the most convenient way to adopt when pay-day comes is to draw a cheque for the total amount due to the various vendors, to cash the same, and to leave the proceeds in the hands of the cashier until all the various payments have been accounted for. Where, however, some of the lots are of considerable value (say £5 and upwards), it is desirable that separate cheques should be drawn for the amount due to each vendor. In order to minimise the number of entries in the General Cash Book and subsequent postings, however, all cheques drawn for this purpose might with advantage be drawn from a separate cheque book, so that only the total payments in respect of each sale need be entered in the General Cash Book. This total will be posted to the debit of the Sale Account in the General Ledger, which account will be completed by passing a Journal entry, debiting the Sale Account and crediting Commission Account with the total commission charged for the sale, as shown by the total of the second money column above.

"Special" Auction Sales.—

Where the property offered for sale at any one time belongs to so few different vendors that the above system becomes unduly complicated, it may be modified as follows:—

Instead of posting the total proceeds to the credit of an account headed "Auction Sale No. —," the total proceeds received on account of each vendor (or *the* vendor, if all the property belongs to one owner) may be posted direct to the credit of his account in the Ledger. The special books for the record of payments to the individual vendors then become unnecessary, and the account may be settled by drawing a cheque and entering it in the General Cash Book in favour of each vendor, these cheques being posted to the debit of their respective accounts in the General Ledger, while a Journal entry is made debiting each with the commission chargeable against him. When the sale only consists of a few lots, the elaborate record of dealings with purchasers may also be dispensed with, and simple Cash Book and Journal entries substituted. With "special" sales of this description, however, it is important to bear in mind that the commission charged will not usually be inclusive. That is to say, in addition to paying commission, the vendor will usually have to bear the cost of advertisements, printing, &c. It is important to see that these expenses are debited to each client before he receives a cheque in settlement of the amount due to him.

Disbursements.—

Under this heading will be included those expenses ordinarily incurred, whether chargeable against the business, or against specific clients, or generally chargeable against (and apportionable amongst) various clients. They will arise either by way of payments through petty cash without any preliminary record, or as a result of orders given out by the auctioneer to newspapers, tradesmen, and others. Assuming the business to be one of reasonable magnitude, it will probably be found convenient to keep a special ADVERTISEMENTS ORDER BOOK, separate from the GENERAL ORDER BOOK, but both may be prepared upon the same lines, although—in order to avoid risk of the wrong

book being used by mistake—it will be found convenient to have them printed on different coloured papers.

Order Books may be either of the counterfoil or the carbon duplicate variety, as may be preferred; but the latter form is advocated on account of its occupying slightly less time in use, and also because it preserves an absolute facsimile of the order given out. A very convenient form is that shown below.

ORDER BOOK

Order No. 000

To.....

.....

.....

From KNOCK & DOWN,

999, Strand, London, W.C.

.....190....

ORDER EXECUTED.

Please.....

.....

.....

.....

.....

.....

.....

INVOICE RECEIVED.

KNOCK & DOWN.

per.....

It will be noticed that at each of the right-hand corners a triangular space is indicated, that at the top corner being marked "Order Executed," while that at the lower corner is marked "Invoice Received." These marks upon the corner are not, of course, upon the original handed to the newspaper or tradesman, but are upon the duplicate copy, which is retained in the binding of the book for purposes of reference. When it is ascertained that the order in question has been duly executed, the top right-hand corner is detached with a pair of scissors, while when the invoice has been received and duly recorded in the books the lower right-hand corner is detached. The advantage of this system is that *by reference to the Order Book alone* it is possible to ascertain in a very short space of time what orders have been given and still remain unexecuted, and also what orders have been given in respect of which liability has been incurred, although no record has yet appeared in the books. These points are of the very greatest importance, not only for the sake of making sure that all outstanding liabilities are included in the books when they are being balanced, but also with a view to ascertaining before an account is rendered to any client that all liabilities incurred on his behalf have been duly charged up to him.

The Order Book naturally leads up to the "CREDIT JOURNAL," but unless the business be one of considerable magnitude it will hardly be worth while to multiply books of account to the extent of keeping a special book for the purpose of recording liabilities incurred under this heading. In the ordinary course it will be found sufficient to pass such entries through the Journal as the invoices come in, the Journal folio being for the sake of reference entered in blue pencil on the face of the order as the lower right-hand corner is cut off. Where, however, the auctioneer has the management of several estates, and is regularly in the habit of incurring liabilities on their behalf, it

may be found convenient to keep a columnar Journal, in which the horizontal lines record the invoices received from various sources (which are posted to the credit of the tradesmen's accounts in the Ledger), while the vertical columns show the periodical totals to be debited to the various clients, an additional column being added for miscellaneous accounts, against which the number of items is so small as to make it inconvenient for separate columns to be kept. On page 20 is a ruling of such a Journal.

CREDIT JOURNAL.

Date	Invoice No.	Name of Creditor	Fo. *Cr.*	Total	Client A.	Client B.	Client C.	Client D.	Business Expenses	Miscellaneous		
										Name of Account	Fo.	Amount
				£ s d	£ s d	£ s d	£ s d	£ s d	£ s d			£ s d

Generally, however, a limited number of columns for the Credit Journal will be found to amply answer all requirements—namely, columns for the total of the invoice, the amount chargeable against the business itself, the amount directly chargeable against individual clients, and the amount which will eventually have to be split up amongst the various clients concerned. An example of this form of Credit Journal will be found below:—

CREDIT JOURNAL (alternative form).

Date	Invoice No	Name of Creditor	Fo. *Cr.*	Total	Special Accounts			Business Expenses	Disburse'ts on a/c of Clients
					Fo. *Dr.*	Amount to be Debited	Amount		
							£ s d	£ s d	£ s d

A similar form of ruling will be found convenient for the PETTY CASH BOOK, save that here a record will also have to be kept of the various amounts of cash received by the petty cashier for disbursements. The form, as so modified, is shown on page 22.

Dr. PETTY CASH BOOK. *Cr.*

Date	C.B. Fo.	Amount Received	Date	Particulars	Name of Special Account	Amount Paid	L. Fo.	Special Accounts	Business Expenses	Disbursements on a/c of Clients
		£ s d				£ s d		£ s d	£ s d	£ s d

Under this system the most convenient way will be to only charge important expenses direct to clients' accounts, the bulk of the disbursements that will be recoverable from clients being debited to an account headed "Disbursements on a/c of Clients," or some similar name. These expenses will, of course, have to be analysed and charged up to the proper account in due course, and care must be taken to see that all expenses chargeable against a client's account are debited before a settlement with him is effected. Any outstanding balance on the "Disbursements on a/c of Clients' Account" in the Ledger at the end of each month should be scrutinised with a view to making sure that it only contains items relating to matters still in progress. To a large extent the disbursements coming under this heading will relate to special sales held for clients, who would have to pay the expenses of those sales in addition to a commission on selling. An account has, of course, to be rendered to each client after the conclusion of the sale, and it is convenient that special books should be kept to enable these accounts to be readily prepared, and also to provide a full record with regard to the matter. The following form will serve to indicate how this is done:—

SPECIAL AUCTIONS BOOK.

No. 2 *of* 1901.

Furniture, &c , No. 287 Finsbury Place. At Town Hall, Finsbury.

For GEO. FRENCH. 31st January 1901.

£ s d		£ s d		£ s d
16 6	150 Posters		Proceeds	267 12 6
2 5 0	300 Catalogues			
		3 1 6		
3 15 5	Daily Telegraph			
14 6	City Press			
3 0	Citizen			
		4 12 11		
13 4	Willing			
13 4	Youde			
	Station Boards, 10s.			
		1 16 8		
2 5 0	Posters			
	Robertson, 25s. 6d.			
		3 10 6		
2 0	Cab			
3 7	Lunch			
7½	Telegram			
3 4	Fares			
	Stamps, 3s. 6d.			
1 6	Lunch			
		0 14 6		
£11 17 1½	Commission	13 16 1		
		13 7 8		
	Balance	27 3 9		
		240 8 9		
		£267 12 6		£267 12 6

The figures in the extreme left-hand column represent actual out-of-pockets, and may be prepared from day to day by an analysis of the Petty Cash Book and Credit Journal, the items so allocated being ticked off in those books. As, however, the Special Auctions Book is not a portion of the double-entry system, these tickings-off must not be regarded as formal postings. The middle column represents the actual expenses charged against the client. It will be seen that in some cases these exceed the actual direct payments out of pocket, the excess representing an apportionment on account of general establishment charges; while, on the other hand, some expenses actually incurred may not be recoverable against the client. When the account is closed a Journal entry must be passed as shown on page 24.

			£ s d	£ s d
1901				
Jan. 31	George French	*Dr*	27 5 9	
	To Commission			13 7 8
	" Disbursements on account of Clients			11 17 1½
	" Business Expenses			1 18 11½
	Being amount of Charges in respect of Sale No. 2 of 1901, as per Special Auctions Book.			

The expenses incurred and not charged up will have been debited to Business Expenses direct, hence the necessity to now credit that account with £1 18s. 11½d. As the client's account will already stand credited with the cash received from the sale it will now correctly show the balance due to the client, in respect of which a remittance will have to be sent (*c.f.* pp. 44 and 45).

Rent Accounts.—

These may be conveniently divided under two headings—namely, where the rents collected for the client are in respect of only one or two tenancies, and where they relate to larger estates. With regard to the first-named, the most convenient way is to open an account in the General Ledger, headed "*A* Client in respect of *B* and *C* Rents." The postings to this account may come exclusively from the Cash Book, the rent being entered therein as received from the tenant and posted to the credit of the account, while when a remittance is made the actual amount remitted is entered in the Cash Book, the amount deducted for commission being entered in the innermost column, and the two posted to the debit of the Ledger Account. The monthly total of this inner column in the Cash Book must be posted to the credit of the Commission Account, and represents small commissions received for which it is not worth while to pass Journal entries. Probably, in addition to the commission, there will be some small deduction for out-of-pocket expenses; but, as a rule, it will not be worth while to complicate the accounts

by making any special entries in respect of these. If a press copy of the "Account Current" rendered to the client be kept, it will afford all necessary record of the manner in which the amount remitted was arrived at, and in that case these small expenses need not be distinguished from the general business expenses. Where, however, they assume larger proportions they may either be posted direct to the client's account or transferred to the debit of that account from "Business Expenses Account," or from "Disbursements on Account of Clients' Account" by means of a Journal entry. Repairs, &c., paid for on behalf of clients would naturally be debited direct.

In the case of rents collected from large estates, it will be found convenient to keep a separate set of books in relation to each estate, so that the actual entries in the auctioneer's own books of account are in totals only, and follow practically the same lines as those already described, save that in this case a Journal entry will be necessary to charge up the commission and out-of-pockets, instead of these being passed through the inner column of the Cash Book. The separate books to be kept in respect of these estates would be a subsidiary Cash Book, Counterfoil Receipt Book, and Tabular Ledger. If the rents in question are large, a separate banking account is desirable, so that the only entry ever coming into the auctioneer's own books is his charge for commission, and the payment thereof out of the special banking account; but where the rent-roll is not sufficiently large to make a separate Bank Account worth while, then the receipts recorded in the separate Cash Book should be handed over at frequent intervals to the cashier, entered up by him to the debit of his own Cash Book, and posted thence to the credit of the client's account. In the subsidiary Cash Book the receipts will be posted into the Tabular Ledger, which forms a convenient record of the amounts due from the various tenants from time to time. The form of the Tabular Ledger will vary according to the nature of the tenancy. The following, however, are useful rulings for (1) weekly rents, (2) monthly rents, and (3) quarterly, half-yearly, or yearly rents (see pages 26, 27, 28):—

157 *Dr.* CASH.

1901	Particulars	Fo.	Comm.	Details	Bank
			£ s d	£ s d	£ s d
Jan. 1	To Balance forward ..	1	..	..	271 16 2
,,	,, Webb's Estate, Rents collected	11	..	..	48 0 0
3	,, Smith's Estate, do.	12	..	..	29 0 0
6	,, J. Roberts: deposit from Gen. Powell on sale of "The Manor"	13	..	..	500 0 0
8	,, Auction No. 1, cash received	14	..	172 16 0	
,,	,, Smith's Estate, Rents collected	12	..	37 10 0	
					210 6 0
9	,, Auction No. 1, cash received (balance)..	14	..	..	146 6 10
12	,, Empire Insurance Co.	15	..	..	25 0 0
16	,, Miss Bertram ..	16	..	..	5 5 0
28	,, White & Co. ..	17	..	..	7 7 0
31	,, G. French: proceeds of special sale ..	18	..	..	267 12 6
				£	1,510 13 6
Feb. 1	To Balance down ..		..	..	945 11 6

CONTRA. *Cr.* 157

1901	Particulars	Fo.	Comm.	Details	Bank
			£ s d	£ s d	£ s d
Jan. 1	By Petty Cash	5	..	..	20 0 0
3	,, Webb's Estate: Remittance (less comm.)	11	2 8 0	..	45 12 0
5	,, Salaries	4	..	..	12 10 0
9	,, Rent	3	..	..	75 0 0
12	,, Salaries	4	..	12 10 0	
,,	,, Auction No. 1: Cash to vendors	1	..	102 6 0	
					114 16 0
14	,, Do. do. ..	—	..	..	174 9 0
17	,, Smith's Estate: Remittance	12	..	..	61 2 0
19	,, Salaries	4	..	..	12 10 0
26	,, Do	—	..	..	12 10 0
29	,, Petty Cash	5	..	..	20 0 0
31	,, Gee & Co.	2	1 17 0	..	16 13 0
,,	,, Commission A/c ..	19	4 5 0		
,,	,, Balance down ..		..	..	945 11 6
					£ 1,510 13 6

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			£	s	d	£	s	d
Jan. 2	Empire Insurance Company ..	15	25	0	0			
	To Commission	19		..		25	0	0
	On letting No. 500 Strand to Ajax Company, Lim.							
4	Miss Bertram	16	5	5	0			
	To Commission	19		..		5	5	0
	Fee for valuation of furniture.							
6	J. Roberts	13	200	0	0			
	To Commission	19		..		200	0	0
	On sale of "The Manor" to Gen. Powell.							
9	Auction Sale No. 1	14	42	7	10			
	To Commission	19		..		42	7	10
	Being total Commission as per Marked Vendors' Catalogue No.—.							
11	White & Company	17	7	7	0			
	To Commission	19		..		7	7	0
	Fee for valuation of property at Becton Grove.							
17	Smith's Estate	17	5	8	0			
	To Commission	19		..		3	6	6
	,, Disbursements on Account of Clients	20		..		2	1	6
31	G. French	18	27	3	9			
	To Commission	19		..		13	7	8
	,, Disbursements on Account of Clients	20		..		11	17	1½
	,, Business Expenses			..		1	18	11½
	Vide Special Auctions Book, fo.—							
31	Disbursements on Account of Clients	20	16	0	4½			
	Business Expenses	21	20	15	8½			
	To Petty Cash	5		..		36	16	1
	Being payments for the month as per P.C.B., fo.—.							

It will be noticed that in the Cash Book an inner column is provided for sundry Commissions, in order to save a certain number of Journal entries in connection with small transactions. It would only be in quite exceptional cases that the Commission column on the *debit* side of the Cash Book would be called

into use for this purpose, but it may be found very convenient for recording allowances made on the payment of accounts, the total of which allowances has eventually to be deducted from the Commissions earned.

The Cash Book and Journal being posted up, the next step is to prepare the Trial Balance in the ordinary way, and this is shown below.

TRIAL BALANCE, 31st January, 1901.

		Dr. £ s d	*Cr.* £ s d
4	Salaries	46 10 0	
5	Petty Cash	3 3 11	
6	Capital	..	1,076 18 1
7	Fixtures and Furniture	250 0 0	
8	Bank Deposit	512 6 2	
9	R. Herbert	122 10 0	
10	J. McArthur & Co.	17 5 9	
13	J. Roberts	..	300 0 0
14	G. French	..	240 8 9
19	Commission	..	300 19 0
20	Disbursements on A/c of Clients	2 1 9	
21	General Expenses	18 16 9	
C157	Cash	945 11 6	
		£1,918 5 10	£1,918 5 10

The Trial Balance serves the threefold purpose of—

(*a*) Testing the accuracy of the postings by the agreement of the *Dr.* and *Cr.* columns;

(*b*) Collecting together all the Ledger Accounts, so that the results shown may be compared with the actual facts, with a view to further adjustments being made where necessary before completing the final accounts; and

(*c*) Providing in a convenient form a Summary of the Ledger, from which the final accounts (*i.e.*, the Balance Sheet and Profit and Loss Account) may be prepared.

Taking the Trial Balance shown above, it may be supposed that there are certain liabilities outstanding that have not yet been entered in the books, that provision has to be made for depreciation of fixtures and furniture, and for accruing interest on the bank deposit. Additional Journal entries to give effect to these adjustments are shown below, and from them it is an easy matter to devise entries to give effect to any other similar adjustments that might be found necessary in practice.

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			£ s d	£ s d
Jan. 31	Salaries	4	9 0 0	
,,	General Expenses	21	14 1 10	
,,	Rent	3	20 0 0	
,,	To Sundry Creditors ..	22	..	43 1 10
	Being sundry liabilities outstanding			
Jan. 31	Depreciation	23	1 11 3	
	To Fixtures and Furniture..	7	..	1 11 3
	Being amount written off for depreciation at the rate of 7½% per annum			
Jan. 31	Bank Deposit	8	1 0 10	
	To Interest	24	..	1 0 10
	Being 1 month's interest on Deposit of £500 at 2½% per annum			

It may be noted here that, whereas the outstanding liabilities in respect of Rent and Salaries were on the 1st January shown as credit balances upon these respective accounts, by means of the Journal entry given above these outstanding liabilities (and a corresponding liability in respect of General Expenses) are shown, not upon the nominal accounts, but upon a Suspense Account headed "Sundry Creditors." The reason for adopting a different method at the close of the month is because both systems are in general use, and it is desired therefore to show

the treatment in each case. It must, however, of course be understood that in practice whichever system is adopted to start with should be adhered to throughout. Upon the whole, the adoption of a Suspense Account is preferable, partly because it collects the outstanding liabilities under one heading, and partly because it is theoretically incorrect to bring down a balance upon a nominal account.

On the 1st February it will be necessary to make another Journal entry, the reverse of that appearing on the 31st January, so as to restore the *status quô ante*. This entry will debit Sundry Creditors with £43 1s. 10d. (closing that account), and credit Salaries with £9, General Expenses with £14 1s. 10d., and Rent with £20.

In most works upon bookkeeping the "closing entries" transferring the balances of the nominal accounts to the Profit and Loss Account, and the balance of the Profit and Loss Account to the Capital Account, are also shown as Journal entries; but in practice this course is rarely pursued on account of the private nature of these particular entries, which renders it desirable that they should be kept out of the Journal, which is, probably, available for the inspection of all clerks in the office.

For the same reason, in practice, the Balance Sheet, Profit and Loss Account, Capital Account, and Commission Account—and, perhaps, also *all* the nominal accounts—would usually be kept in a separate Private Ledger, supplied with a spring lock.

The following *pro formâ* Ledger records all the transactions referred to above, and in addition the closing of the books and the preparation of the Profit and Loss Account for the month, and the final Balance Sheet as at the 31st January 1901:—

LED

1—*Dr.* BALANCE

					£ s d
1901 Jan. 1	To Capital Account			6	1,076 18 1
	,, Sundry Creditors—				
	Gee & Co.	£18 10 0		2	
	Rent	75 0 0		3	
	Salaries	3 10 0		4	
					97 0 0
					£1,173 18 1

2—*Dr.* GEE &

			£ s d
1901 Jan. 31	To Cash and Commission	157	18 10 0

3—*Dr.* RENT

			£ s d
1901 Jan. 9	To Cash	157	75 0 0
31	,, Sundry Creditors	J 463	20 0 0
			£95 0 0

4—*Dr.* SALARIES

			£ s d
Jan. 5			
12	To Cash	157	12 10 0
19	,, Do.	,,	12 10 0
26	,, Do.	,,	12 10 0
31	,, Do.	,,	12 10 0
	,, Sundry Creditors	J 463	9 0 0
			£59 0 0

GER.

SHEET. *Cr.*—1

					£	s	d
1901 Jan. 1	By Fixtures and Furniture Account			7	250	0	0
	,, Sundry Debtors—						
	R. Herbert ..	£122	10	0	9		
	J. McArthur & Co.	17	5	9	10		
					139	15	9
	,, Bank Deposit				8	512	6	2
	,, Cash at Bank				157	271	16	2
					£1,173	18	1

CO. *Cr.*—2

			£	s	d
1901 Jan. 31	By Balance	1	18	10	0

ACCOUNT. *Cr.*—3

			£	s	d
1901 Jan. 1	By Balance	1	75	0	0
31	,, Profit and Loss Account	25	20	0	0
			£95	0	0

ACCOUNT. *Cr.*—4

			£	s	d
1901 Jan. 1	By Balance	1	3	10	0
31	,, Profit and Loss Account	25	55	10	0
			£59	0	0

5—*Dr.* PETTY

			£ s d
1901 Jan. 1	To Cash	157	20 0 0
29	,, Do.	,,	20 0 0
			£40 0 0
Feb. 1	To Balance down	5	3 3 11

6—*Dr.* CAPITAL

			£ s d
1901 Jan. 31	To Balance down	6	1,268 18 1
			£1,268 18 1

7—*Dr.* FIXTURES AND

			£ s d
1901 Jan. 1	To Balance	1	250 0 0
			£250 0 0
Feb 1	To Balance down	7	248 8 9

8—*Dr.* BANK

			£ s d
1901 Jan. 1	To Balance	1	512 6 2
31	,, Interest	J 463	1 0 10
			£513 7 0
Feb. 1	To Balance down	7	513 7 0

CASH. *Cr.*—**5**

			£	s	d
1901					
Jan. 31	By Sundries per Petty Cash Book ..	J 462	36	16	1
	„ Balance down	5	3	3	11
			£40	0	0

ACCOUNT. *Cr.*—**6**

			£	s	d
1901					
Jan. 1	By Balance	1	1,076	18	1
31	„ Profit and Loss Account	25	192	0	0
			£1,268	18	1
Feb. 1	By Balance down	6	1,268	18	1

FURNITURE ACCOUNT. *Cr.*—**7**

			£	s	d
1901					
Jan. 31	By Depreciation	J 463	1	11	3
	„ Balance down	7	248	8	9
			£250	0	0

DEPOSIT. *Cr.*—**8**

			£	s	d
1901					
Jan. 21	By Balance down	7	513	7	0
			£513	7	0

9—*Dr.* RICHARD

			£ s d
1901 Jan. 1	To Balance	1	122 10 0

10—*Dr.* JAMES

			£ s d
1901 Jan. 1	To Balance	1	17 5 9

11—*Dr.* WEBB'S

			£ s d
1901 Jan. 3	To Cash—Remittance	157	45 12 0
	,, Commission	,,	2 8 0
			£48 0 0

12—*Dr.* SMITH'S

			£ s d
1901 Jan. 17	To Cash—Remittance	157	61 2 0
,,	,, Commission	J 462	3 6 6
,,	,, Disbursements	,,	2 1 6
			£66 10 0

13—*Dr.* JOHN

			£ s d
1901 Jan. 6	To Commission on sale of "The Manor"	J 462	200 0 0
31	,, Balance down	13	300 0 0
			£500 0 0

HERBERT. *Cr.*—9

			£ s d

McARTHUR & CO. *Cr.*—10

			£ s d

ESTATE. *Cr.*—11

			£ s d
1901 Jan. 1	By Cash—Rents Collected	157	48 0 0
			£48 0 0

ESTATE *Cr.*—12

			£ s d
1901 Jan. 3	By Cash—Rents Collected	157	29 0 0
8	,, Do. Do.	,,	37 10 0
			£66 10 0

ROBERTS. *Cr.*—13

			£ s d
1901 Jan. 6	By Cash—General Powell: deposit on sale of "The Manor"	157	500 0 0
			£500 0 0
Feb. 1	By Balance down	13	300 0 0

14—*Dr.* AUCTION

			£	s	d
1901					
Jan. 12	To Cash	157	102	6	0
14	„ Do.	„	174	9	0
9	„ Commission	J 462	42	7	10
			£319	2	10

15—*Dr.* EMPIRE

			£	s	d
1901					
Jan. 2	To Commission on letting No. 500 Strand	J 462	25	0	0

16—*Dr.* MISS

			£	s	d
1901					
Jan. 4	To Valuation Fee	J 462	5	5	0

17—*Dr.* WHITE

			£	s	d
1901					
Jan. 11	To Valuation Fee	J 462	7	7	0

18—*Dr.* GEORGE

			£	s	d
1901					
Jan. 31	To Commission	J 462	13	7	8
	„ Disbursements	„	13	16	1
	„ Balance down	18	240	8	9
			£267	12	6

SALE No. 1. *Cr.*—**14**

			£	s	d
1901 Jan. 8	By Cash	157	172	16	0
9	,, Do.	,,	146	6	10
			£319	2	10

INSURANCE CO. *Cr.*—**15**

			£	s	d
1901 Jan. 12	By Cash	157	25	0	0

BERTRAM. *Cr.*—**16**

			£	s	d
1901 Jan. 16	By Cash	157	5	5	0

& CO. *Cr.*—**17**

			£	s	d
1901 Jan. 28	By Cash	157	7	7	0

FRENCH. *Cr.*—**18**

			£	s	d
1901 Jan. 31	By Cash—Proceeds of Special Sale No. 2	157	267	12	6
			£267	12	6
Feb. 1	By Balance down	18	240	8	9

19—*Dr.* COMMISSION

			£ s d
1901 Jan. 31	To Profit and Loss Account	25	300 19 0
			£300 19 0

20—*Dr.* DISBURSEMENTS ON

			£ s d
1901 Jan. 31	To Sundries per Petty Cash Book ..	J 462	16 0 4½
			£16 0 4½
Feb. 1	To Balance down	20	2 1 9

21—*Dr.* BUSINESS

			£ s d
1901 Jan. 31	To Sundries per Petty Cash Book ..	J 462	20 15 8½
,,	,, Sundry Creditors	J 463	14 1 10
			£34 17 6½

ACCOUNT. *Cr.*—**19**

			£	s	d
1901					
Jan. 2	By Empire Insurance Co.	J 462	25	0	0
4	,, Miss Bertram	,,	5	5	0
6	,, J. Roberts	,,	200	0	0
9	,, Auction Sale No. 1	,,	42	7	10
11	,, White & Co.	,,	7	7	0
17	,, Smith's Estate	,,	3	6	6
31	,, G. French	,,	13	7	8
,,	,, Sundries per Cash Book	157	4	5	0
			£300	19	0

ACCOUNT OF CLIENTS. *Cr.*—**20**

			£	s	d
1901					
Jan. 17	By Smith's Estate	J 462	2	1	6
,,	,, G. French	,,	11	17	1½
31	,, Balance down	20	2	1	9
			£16	0	4½

EXPENSES. *Cr.*—**21**

			£	s	d
1901					
Jan. 31	By G. French	25	1	18	11½
	,, Profit and Loss Account	,,	32	18	7
			£34	17	6½

22—*Dr.* SUNDRY

			£ s d

23—*Dr.* DEPRECIATION

			£ s d
1901 Jan. 31	To Fixtures and Furniture	J 463	1 11 3

24—*Dr.* INTEREST

			£ s d
1901 Jan. 31	To Profit and Loss Account	25	1 0 10

CREDITORS. *Cr.*—**22**

				£	s	d
1901 Jan. 31	By Sundry Outstanding Accounts ..	J 463		43	1	10

ACCOUNT. *Cr.*—**23**

				£	s	d
1901 Jan. 31	By Profit and Loss Account	25		1	11	3

ACCOUNT. *Cr.*—**24**

				£	s	d
1901 Jan. 31	By Bank Deposit	J 463		1	0	10

Dr.—25 PROFIT AND LOSS ACCOUNT

		£	s	d
3	To Rent	20	0	0
4	,, Salaries	55	10	0
21	,, General Expenses	32	18	7
23	,, Depreciation	1	11	3
6	,, Balance (being net profit) transferred to Capital Account	192	0	0
		£301	19	10

BALANCE SHEET,

	Liabilities.	£	s	d	£	s	d
6	CAPITAL ACCOUNT	..			1,268	18	1
	SUNDRY CREDITORS—						
13	J. Roberts	300	0	0			
18	G. French	240	8	9			
22	Sundry Outstanding Accounts	43	1	10	583	10	7
					£1,852	8	8

for the month of January 1901. *Cr.*—**25**

		£	s	d
19	By Commissions	300	19	0
24	,, Interest	1	0	10
		£301	19	10

31st January 1901.

	Assets.	£	s	d	£	s	d
7	FIXTURES AND FURNITURE (less depreciation)	..			248	8	9
	SUNDRY DEBTORS—						
9	R. Herbert	122	10	0			
10	J. McArthur & Co.	17	5	9			
20	Disbursements on Account of Clients	2	1	9			
					141	17	6
	CASH—						
8	At Bank (Deposit Account) ..	513	7	0			
157c	do. (Current Account) ..	945	11	6			
5	In Hand	3	3	11			
					1,462	2	5
					£1,852	8	8

A few remarks upon each of the Ledger Accounts will probably add to the clearness of this portion of the work:—

(1) *Balance Sheet.*—This shows the financial position of James Robertson on the 1st January 1901. A new Ledger is supposed to have been opened upon that date, and the Balance Sheet contains the contra entries for the various outstanding balances of assets and liabilities. Except, however, when a new Ledger is being opened it is not usual (with modern systems of bookkeeping) to treat the Balance Sheet as a Ledger *Account* at all. The balance on each of the Real and Personal Accounts is brought down upon the same account respectively, ready for the transactions of the subsequent period, and the Balance Sheet is merely an extracted *list* of those balances prepared in a convenient (summarised) form.

(2) This represents a liability outstanding at the commencement of the period, discharged during the month by the payment of cash. A commission of £1 17s. has been allowed on payment, which—through the commission column in the Cash Book—is posted to the credit of Commission Account.

(3) *Rent Account* shows an outstanding liability at the outset of £75, and a transfer to the debit of Profit and Loss Account of £20, representing the proportion of rent accrued due for the month; while the proportion of rent owing on the 31st January is debited to this account, and shown as a liability in the "Sundry Creditors' Account." Were the Suspense Account not being employed, the Rent Account would show a credit balance of £20 at the end of the month.

(4) The same remarks apply to the *Salaries Account.*

(5) *Petty Cash.*—This account shows in total the dealings in petty cash which are recorded in detail in the Petty Cash Book (*vide* page 22). At the end of the month £3 13s. 11d.

remains in hand, which appears as a debit balance on this account, and is taken into the Balance Sheet as an asset.

(6) *Capital Account* commences with a credit balance representing the excess of assets over liabilities on the 1st January. To this account is transferred the credit balance of the Profit and Loss Account, and the total is then brought down as a balance, being included in the Balance Sheet for the 31st January. If any capital had been withdrawn during the month, the amount withdrawn would have appeared to the debit of this account, being posted there from the credit side of the Cash Book.

(7) *Fixtures and Furniture Account* starts with the balance appearing on the Balance Sheet of January 1st. Depreciation for the month is written off and debited to Profit and Loss Account, and the net balance brought down as an asset, appearing at the same figure in the Balance Sheet. Had any additional fixtures or furniture been purchased during the month, the cost would have been debited to this account; but repairs and small renewals should be charged to Business Expenses.

(8) *Bank Deposit Account* is virtually a Cash Account recording the amount of money that James Robertson has on deposit at his bankers. The accruing interest would not necessarily be added monthly, but only when the books were being balanced, which would probably be either half-yearly or annually. Additional deposits would be debited to this account and credited to Cash, while withdrawals from this account would be credited to it and debited in the Cash Book.

(9 and 10) These accounts record outstanding debts due to James Robertson by clients, which have not been received by him during the month.

(11 and 12) These are "total" accounts, recording in a summarised form the collection of rents on behalf of clients.

The details of the rents collected would be shown in the subsidiary books (*vide* pages 26-28).

(13) This is a personal account, showing the receipt of a deposit on account of a client, and the debit to that client of a commission; the balance of £300 being a liability of James Robertson.

(14) *Auction Sale No.* 1.—This is another "total" account, showing in a summarised form the result of a miscellaneous auction sale. The account is credited with the proceeds of the sale as shown by the Auction Ledger (Marked Catalogue), and debited with the amounts paid to the various vendors as shown by the Vendors' Ledger. The commission earned upon the sale is also shown by the last-named book, and finds its way into the General Ledger through a Journal entry. If any vendors remain unpaid on the 31st January this account would show a credit balance of a corresponding amount, while if any lots remained uncleared the total of the credit side would be correspondingly reduced, and (if the vendors had been paid) the account would show a debit balance.

(15, 16, and 17) These are ordinary personal accounts, and call for no comment.

(18) This is an account of a special sale held on behalf of one client. The detailed records are shown in the Marked Catalogue and the special Auctions Book. The client is debited with the commission at the scale agreed, and also with those disbursements for which he is specially liable. These, in the *pro formâ* example, are supposed to have been exclusively made through Petty Cash; but in practice, of course, some payments might be made by cheque, in which case they would be posted direct to the debit of this account from the Cash Book.

(19) This account records the Commissions earned during the period under review, the more important items being posted

from the Journal, and the smaller ones from the total of the "Commission" column in the Cash Book.

(20) *Disbursements on Account of Clients.*—This is the account already referred to on page 22. It is used for keeping a record of disbursements recoverable against clients, with a view to seeing that they are not lost sight of. All disbursements are entered in a separate column in the Petty Cash Book, and by means of a Journal entry the monthly total thereof is posted to the debit of this account. The actual disbursements charged to clients are credited to this account by means of Journal entries. Thus, the balance at any time should represent disbursements incurred, but not yet charged up. At the end of each month a list of these should be prepared and agreed with the Ledger; should it be found that any of the items are irrecoverable, they should be written off to General Expenses; while *per contra* if it be ascertained that certain items already charged to General Expenses are recoverable against clients, a Journal entry should be passed debiting Disbursements on Account of Clients and crediting General Expenses.

(21) This is a nominal account recording the miscellaneous expenses of the business. The postings thereto may come either from the Journal or the Cash Book, and at balancing time the balance is transferred to Profit and Loss Account, after taking care that all accruing liabilities to date are included.

(22) *Sundry Creditors.*—This is the Suspense Account already referred to on page 36.

(23 and 24) These are nominal accounts, and, as such, eventually find their way into the Profit and Loss Account. In practice, of course, it may be found convenient to have many other nominal accounts besides those indicated in the example.

(25) The Profit and Loss Account calls for no detailed comment. It is credited with all income earned during the period under review, and charged with all expenses incurred during the like period. The balance (representing net profit) is transferred to the Capital Account; or, in the case of a firm, is divided between the partners in the proportions already agreed upon, and each partner's Capital Account is credited with his share.

III.

It is not proposed in this volume to attempt anything like an exhaustive exposition of the law relating to the rights, duties, and liabilities of auctioneers. There are, however, a few points to which it is desirable to draw attention in order to fulfil the general scheme of this series.

LICENSES.

Every person carrying on business as an auctioneer, or acting as such (whether he be in partnership or not), is required to take out a licence, for which the charge is £10 per annum. Anyone acting as an auctioneer without having taken out a licence is liable to certain penalties that need not here be fully recited. The following, however, is a list of cases in which no auctioneer's licence is necessary (as stated in Bateman's "Law of Auctions"):—

(1) Sales under orders of the Chancery Division of the High Court of Justice by persons duly appointed to effect such sales;

(2) Sales of goods taken in execution under County Court process, made by County Court bailiffs duly authorised to act as brokers for the purpose of such sales;

(3) Persons selling goods under the authority of Acts relating to the recovery of small debts in Scotland;

(4) Sales, by bailiffs, of goods taken in execution under decrees of Civil Bill Courts in Ireland;

(5) Any persons selling goods under a distress for non-payment of rent or tithes to a less amount than £20;

(6) Any person selling fish, where first landed, upon the sea-shore;

(7) Sales "by ticket" of mineral ore;

(8) The letting of lands or any interest therein;

(9) The letting of tolls to farm, by the trustees of the tolls or their clerks;

(10) Officers of the Customs conducting sales of seizures under the direction of the Commissioners of Customs;

(11) Officers of Excise selling goods seized for a breach of the revenue laws;

(12) Officers of the Ordnance conducting sales under the authority of the Surveyor-General of Ordnance;

(13) Clerks in the Naval and Victualling Departments of the Admiralty, selling public stores in the yards of those departments by direction of the Lords of the Admiralty;

(14) Non-commissioned officers and soldiers selling under the direction of the Secretary of State for the War Department the effects of officers and soldiers dying in His Majesty's service, or the effects of deserters, where the proceeds are to be accounted for to the public;

(15) Sales of property for the benefit of the Crown by receivers and deputy-receivers of wrecks appointed under Part VIII. of the Merchant Shipping Act, 1854, whether such officers be officers of Customs or not, provided they are employed officially.

Sales by tender conducted by trustees in bankruptcy or under deeds of arrangement, liquidators, or receivers do not necessitate an auctioneer's licence.

Every auctioneer selling by licence any goods for the sale of which an *excise* licence is required (*e.g.*, wines, spirits, or tobacco), must take out an excise licence in addition to his auctioneer's licence, unless the goods belong to a licensed trader.

Before beginning any auction an auctioneer is required to affix or suspend a ticket, or board, containing his Christian name and surname and residence painted, printed, or written thereon in large letters, "publicly visible and legible in some conspicuous part of the room or place where the auction is held." When conducting a sale the auctioneer is liable to be called upon to produce his licence.

A licensed auctioneer is entitled to act as an appraiser, but no one else may take up the occupation of an appraiser, or act as such, without taking out a £2 licence every year. A valuation or appraisement of any property requires a stamp, as follows:—

Where the amount of the appraisement does not exceed £5	3d.
Where the amount does not exceed £10	6d.
For each additional £10 up to £50	6d.

Above that sum the stamp is at the rate of 5s. for each £100 (or portion of £100) up to £200; 15s. if exceeding £200 and not exceeding £500, and £1 if exceeding £500.

The appraisement must be written out and stamped within fourteen days of the making.

Under the following circumstances an appraisement is exempt from stamp duty:—

(*a*) When made for the information of one party only, and not being in any manner obligatory as between parties;

(*b*) When made in pursuance of the order of any Court of Admiralty, or of any Court of Appeal therefrom;

(*c*) When made for the information of an executor or other person required to deliver an affidavit as to the estate of a deceased person;

(*d*) When made for the purpose of ascertaining the legacy, succession, or account duty payable in respect thereof.

REMUNERATION.

It is usual for the remuneration to be allowed to an auctioneer to be arranged in advance, but in the absence of such an arrangement he is entitled to a "reasonable sum." There is no definite scale upon which, under ordinary circumstances, his remuneration will be assessed.

As regards valuations, &c., the following scale sanctioned by the Royal Institute of British Architects in 1872 (and revised in 1898), may apply, although it is thought to be rather higher than would sometimes be allowed:—

For valuing freehold, copyhold, or leasehold property the charge is:—

On £1,000	1 per cent.
Thence to £10,000	½ per cent.
Above £10,000	¼ per cent. on residue.

In valuations for mortgage, if an advance is not made, one-third of the above scale. The minimum fee is three guineas.

For valuing and negotiating the settlement of claims under the Lands Clauses Consolidation Act, or other Acts for the compulsory acquisition of property, the charge is on Ryde's scale as follows:—

On amount of settlement, whether by verdict, award, or otherwise.

Amount of Valuation	Fee	Amount of Valuation	Fee
£	Guineas	£	Guineas
100	5	5,400	40
200	7	5,600	41
300	9	5,800	42
400	11	6,000	43
500	13	6,200	44
600	14	6,400	45
700	15	6,600	46
800	16	6,800	47
900	17	7,000	48
1,000	18	7,200	49
1,200	19	7,400	50
1,400	20	7,600	51
1,600	21	7,800	52
1,800	22	8,000	53
2 000	23	8,200	54
2,200	24	8,400	55
2,400	25	8,600	56
2,600	26	8,800	57
2,800	27	9,000	58
3,000	28	9,200	59
3,200	29	9,400	60
3,400	30	9,600	61
3,600	31	9,800	62
3,800	32	10,000	63
4,000	33	11,000	68
4,200	34	12,000	73
4,400	35	14,000	83
4,600	36	16,000	93
4,800	37	18,000	103
5,000	38	20,000	113
5,200	39		

Beyond this Half-a-Guinea per cent.

The foregoing scale is exclusive of attendances on juries or umpires, or at arbitrations, and also of expenses and preparations of plans.

For estimating dilapidations and furnishing or checking a schedule of same the charge is 5 per cent. on the estimate, but in no case less than two guineas. For services in connection with settlement of claim by arbitration or otherwise, extra charges are made.

For inspecting, reporting, and advising on the sanitary condition of premises, the charge must depend on the nature and extent of the services rendered.

In all cases travelling and other out-of-pocket expenses are paid by the client in addition to the fees. If the work is at such a distance as to lead to an exceptional expenditure of time in travelling, an additional charge may be made.

For sales by auction of freehold, leasehold, or copyhold houses and estates, ground rents, policies of insurance, reversions, &c., the usual charge is 2½ per cent. on the amount realised and out-of-pockets; or, in the event of no sale taking place, 1 per cent. on the reserve and out-of-pockets.

For the sale of similar property by private contract the customary charge is 5 per cent. on the first £100, and 2½ per cent. on the excess, in addition to the usual commission for fixtures, furniture, and effects.

For the sale of furniture and other chattels by auction the customary charge is 5 per cent. on the amount realised, in addition to out-of-pocket expenses.

The commission charged at miscellaneous sales varies according to the nature of the sale, and is a matter for arrangement.

For letting unfurnished houses the customary commission is 5 per cent. on the first year's rent, in addition to any charge for the valuation of fixtures, &c.

For letting furnished houses the usual commission is 5 per cent. on the rent payable for the first year, and 2½ per cent. on the rent payable during the remainder of the term.

In bankruptcies the following charges are allowed by the Taxing Master, subject to reduction by agreement with the Official Receiver (or the trustee, as the case may be), and to increase with the sanction of the Committee of Inspection and the Official Receiver (or trustee):—

	£	s.	d.
For inventory, only, of chattel property, and one copy (not exceeding 5 folios)	0	10	6
For every additional folio beyond 5 up to 20, and one copy	0	1	6
For each folio above 20, and one copy ...	0	1	0

For inventory and valuation of chattel property:—

On the first £100 ...	£2	10	0	per cent.
On the next £400 ...	1	5	0	„
Above, up to £10,000	1	0	0	„
Above 10,000 ...	0	10	0	„

In addition the broker shall be entitled to railway fare or cab hire actually paid, if the distance exceeds one mile, when beyond five miles the amount shall be in the discretion of the Taxing Officer, but shall not exceed the actual expense of travelling.

When an order has been made for summary administration three-fifths only of the percentage for inventory and valuation shall, in the absence of special agreement, be allowed.

For sales by private contract based on the valuation, half the above charges for inventory and valuation.

For sales by auction, in addition to such out-of-pocket expenses as may be authorised at the time by the Official Receiver or Trustee:—

Of chattel property not exceeding:—

On the first £500	£5	0	0	per cent.
Above, up to £1,000	4	0	0	„
Above £1,000	2	10	0	„

Of estates, freehold, leasehold, &c., including prior valuations, for determining amount of reserve bids:—

On the first £300	£5	0	0	per cent.
On the next £1,600	2	10	0	„
Above, up to £5,000	1	5	0	„
Above £5,000	1	0	0	„

No higher allowance to be sanctioned without leave of Board of Trade.

Cost of surveys, dilapidations, and specifications in discretion of Taxing Officer ... 2 0 0 to £5

CONDITIONS OF SALE.

The conditions of sale, where the title to property sold does not pass on delivery, are usually settled by the vendor's solicitor and not by the auctioneer, but in other cases the assistance of a solicitor is not generally invoked.

It is thought that the three *pro formâ* sets of Conditions of Sale that form the conclusion of this volume will be found useful. The first relates to an important sale of landed property; the second to a sale of reversions, life insurance policies, and other similar property; and the last to an ordinary sale of miscellaneous chattels.

PRO FORMA CONDITIONS OF SALE.

(Lands and Buildings.)

I.—No one shall advance at a bidding a less sum than such sum as shall be named by the auctioneer, nor shall anyone retract a bidding. Subject to a reserve price, and to the right reserved to the vendor of bidding generally at the sale by himself and his agents, the highest bidder shall be the purchaser, and if any dispute shall arise concerning the highest bidding for the estate, or (if offered in lots) for any lot, the estate or the lot (as the case may be) shall be put up for resale. The vendor reserves the right to withdraw the estate or any lot from sale without declaring the reserve price.

II.—The vendor reserves the right to offer the premises for sale either in their entirety, or in such portions as he may think fit, and the highest bidder, according to the method adopted, shall be the purchaser.

III.—Each purchaser shall, immediately after the sale, pay to the auctioneers a deposit of £10 per cent. on his purchase-money, and sign a memorandum of agreement in the form subjoined.

IV.—All minerals underlying the estate will be included in the sale.

V.—The timber and timberlike trees, pollards, tellers, saplings and plantations, and underwood down to the stub, shall be taken to, and paid for, by the purchaser (in addition to the amount of his bidding) at a valuation to be made in manner hereinafter specified.

VI.—All fixtures (other than tenant's fixtures) will be included in the sale; all tenant's fixtures, planned and fitted furniture, iron-fencing and hurdles (not serving the purpose of permanent outside boundary-fences), garden vases, and the contents of the greenhouses and pleasure grounds (whether mentioned in the Particulars or not) belonging to the vendor, shall be taken to, and paid for, by the purchaser, in addition to his purchase-money, at a valuation to be made in manner hereinafter specified. Such fixtures, fittings, and furniture at present in and about the mansion house as are the property of ——— ————, Esquire, the former lessee, will be removed (by agreement with the vendor) not later than the — day of ——— next.

VII.—The advowson of ———— is included in the sale. In case of the decease of the present incumbent of the said benefice, or of his cession or relinquishment thereof before the completion of the purchase, the vendor will within due time, at the request and expense of the purchaser, present such person (being duly qualified) as the purchaser (he having accepted the title and paid the purchase-money) shall nominate; and if such presentation devolve on the Crown in consequence of the incumbent being promoted to a bishopric either before or after the completion of the purchase, the sale of the advowson shall not be affected thereby, nor shall the purchaser be entitled to any deduction out of the purchase-money.

VIII.—If at the time of the completion of the purchase any of the lands are in the hands of the vendor the customary tenant-right, the cultivations, growing and secured crops, manure, hay, and straw (at market price), live and dead stock, and effects on and about the same (other than such at or near the Mansion House as are the property of ——— ————, Esquire) shall be taken to and paid for by the purchaser as between an incoming and an outgoing tenant, and after valuation in manner hereinafter provided.

IX.—The purchaser of ——— Hall shall have the option of taking at a valuation the furniture in the Mansion House, the property of the vendor (subject to certain reservations to be made to the vendor), provided he declares his desire to do so within fourteen days from the day

of sale. If he should not exercise this option the vendor reserves the right to hold a sale by auction of the said furniture and other effects on the premises at any time before the completion of the purchase.

X.—Every purchaser shall be satisfied with such roads and rights of way as at present exist, without requiring any evidence of the grant or right of user thereof.

XI.—The title shall commence as to the greater part of the property with a general devise of real estate made by the Will of ——— ———, who died in ———, and the purchaser shall assume the seisin or ownership of the testator, and that the property passed by the devise; and as to the remainder of the property (including ——— Farm and other lands in the Parish of ———), with the Will of ——— ———, who died in ———, and whose seisin and ownership shall be likewise assumed; and the said Wills shall be accepted as good roots of title, and any earlier or other title, notwithstanding that the same may appear in an abstracted document or otherwise, or may be in the vendor's possession or power, or that the purchaser may have notice or knowledge of the same from any source whatever, shall not under any circumstances be required, investigated, or objected to. The said ——— ——— died without leaving issue. No proof of this shall be required.

XII.—The expense of stamping any unstamped or insufficiently stamped document, executed on or before the — day of ——— ——— (if any such there be) shall be borne by the purchaser.

XIII.—The purchaser shall (notwithstanding any variance in names, quantities, boundaries, or otherwise) admit the identity of the property purchased by him with that comprised in the muniments offered by the vendor as the title to such property upon the evidence afforded by a comparison of the descriptions in the Particulars with those in the muniments, and of a statutory declaration, to be made (if required) at the purchaser's expense, that the purchased property has been held according to the abstracted title for the last forty or (in respect of the said lands in the parish of ———) for upwards of twenty-five years.

XIV.—The remainder of the purchase-money, for the estate or each lot, shall be paid to the vendor, or as he shall direct, and the purchase or respective purchases shall be completed on the — day of ——— next, at the office aforesaid of the vendor's solicitors, Messrs. ———, ——— ——— & Co., at —, ——— ———, ———, and if from any cause whatever any purchase shall not be completed on or before that

day, the purchaser shall pay to the vendor interest on the balance of his purchase-money at the rate of £5 per cent. per annum, from that day, until completion of the purchase, and shall not be entitled to any compensation for the vendor's delay, or otherwise. But this stipulation is without prejudice to the vendor's rights under any other of these conditions.

XV.—The rents and profits or possession of the estate, or of each lot (as the case may be), will be received or retained and the outgoings discharged by the vendor down to the said — day of ——— next, as from which day all outgoings (including any rates made before but not demanded till after that day) shall be discharged by, and the rents and profits or possession shall belong to the purchaser, and all rents, profits, and outgoings shall (if necessary) be apportioned for the purpose of this provision, but no purchaser shall be let into the actual receipt of the rents and profits, or possession of the property purchased by him, until the completion of his purchase, and each purchaser shall, on completion, pay to the vendor any arrears of rent and his proportion of the current rents, less his proportion of current outgoings, and the estate or the lot purchased (as the case may be) shall, as from the said — day of ——— next, be at the sole risk of the purchaser, and the vendor shall not incur any liability by reason of its then being, or subsequently becoming or remaining, untenanted, uncultivated, uninsured, or deteriorated.

XVI.—Upon payment of the remainder of the purchase-money for the estate, or for each lot (as the case may be), with such interest (if any) as shall have become payable, the vendor and other necessary parties (if any) will convey the said property to the purchaser. The conveyance, and every assurance, act, matter, and thing (if any) which shall be required by the purchaser for tracing, getting in, or releasing any outstanding estate, right or interest, or for completing or perfecting the vendor's title, or for any other purpose, shall be prepared, made, and done by and at the expense of the purchaser. No purchaser shall require any incumbrance to be discharged otherwise than by the incumbrancer joining in his conveyance, nor make any claim for costs by reason of the conveyance being thereby increased in length or made complicated.

XVII.—The property is sold subject to all outgoings and incidents of tenure, rights of way, water, light, drainage, and other easements (if any) affecting the same, and to all rights of adjacent owners, and to

any liability to repair, or contribute to the repair, of roads, ways, sewers, drains, hedges, fences, and other like matters, and subject also to the existing tenancies and all allowances to, and claims for, compensation and other rights of the tenants, and the purchaser shall be deemed to have notice thereof whether mentioned in the Particulars or not.

XVIII.—The counterparts or copies of the leases or written agreements (where they exist) with the tenants (including an agreement made between the vendor and ——— ————, Esquire, relating to the surrender of the lease of ———— Hall) will be produced at the sale, and may be inspected at the office of the vendor's solicitors, at any time previously during business hours, and the purchaser or respective purchasers (whether availing himself, or themselves, of such opportunity of inspection or not, and notwithstanding any partial, incomplete, or inaccurate statement of the contents of the said leases or agreements, or of the terms of the tenancies in the Particulars) shall be deemed to have full notice of the contents thereof. In any case in which the vendor has no counterpart of the lease, or agreement, of tenancy, or there is no written agreement, the purchaser shall be satisfied with such evidence of the terms of the tenancy as the vendor may be able to adduce. The description of the cultivation of the lands in the Particulars may be taken as representing their present state, but shall not affect the rights (if any) of any tenant, or tenants, to alter such cultivation, and the property is sold subject to such rights (if any).

XIX.—Each purchaser shall, within fourteen days after the delivery of the abstract (whether perfect or not), send in writing to the vendor's solicitors, Messrs. ——— ——— & Co., of — ——— ————, his objections and requisitions (if any) not precluded by these Conditions in respect of the title, and of all matters appearing upon the Particulars, Conditions, and Abstract respectively, and subject only to such objections and requisitions so sent in shall be considered as having accepted the title. Any answer to any original or subsequent statement of objection or requisition (whether accompanied by any supplemental abstract or papers or not), shall, within seven days after the delivery thereof, be replied to by a statement in writing, and any answer not so replied to within such time shall be deemed satisfactory and sufficient, and in all these respects time shall be considered of the essence of the contract. If any purchaser shall make and insist on any objection or requisition as to the Particulars, Conditions, abstract,

title, evidence, possession, receipt of rents, or otherwise, which the vendor shall be unable or unwilling to remove or comply with, the vendor shall (notwithstanding any intermediate or pending negotiation, proceeding, or litigation, and although he may have insisted that all or any of the objections or requisitions are or is untenable) be at liberty, on giving to the purchaser not less than seven days' notice in writing, signed by his solicitors, to annul the sale, in which case, unless the objection or requisition shall have been in the meantime withdrawn, the sale shall, at the expiration of such notice, be annulled, and the vendor shall thereupon return to the purchaser his deposit, but without any interest, costs of investigating the title, or other compensation or payment whatsoever, and the purchaser shall thereupon return to the vendor all abstracts and papers which have been delivered to the purchaser by the vendor.

XX.—The purchaser of ——— Hall shall be entitled to the custody of any deeds or muniments of title in possession of the vendor which relate thereto, and also to any other lot or lots (if the property be sold in lots), and shall, if required, give to the purchaser of any of the other lots to which the same relate, the usual statutory acknowledgment of the right of production and delivery of copies and undertaking for safe custody thereof, to be prepared by and at the expense of the purchaser purchasing the same. If ——— Hall or any other lot is not sold the vendor shall, for the purpose of this condition, stand in the place of the purchaser thereof. Any delay in obtaining any such acknowledgment and undertaking as aforesaid, shall not be a ground for delaying the completion of any purchase, but the acknowledgment and undertaking shall in such case be executed as soon after completion as the vendor shall be able to obtain the same.

XXI.—In any case in which the vendor is under any obligation to any purchaser for the production or safe custody of any muniments which are handed over to any purchaser at the present sale, the latter purchaser shall take upon himself such obligation in exoneration of the vendor therefrom, and shall, if required, enter into a proper covenant of indemnity in that behalf, or give a proper substituted statutory acknowledgment and undertaking for production and safe custody to the person or persons entitled to the benefit of the original covenant, the deed or deeds for that purpose to be prepared by and at the expense of the vendor or covenantee, but the expense of the perusal and execution thereof, by or on behalf of the purchaser, to be borne by him.

XXII.—Where a portion only of a holding is included in the sale the rent has been divided by way of apportionment between the two portions, regard having been had to the quality, quantity, and rental of the entire holding and of the divided parts. The several amounts are described in the Particulars as apportioned, but the consent of the tenants to such division shall not be required, nor shall any legal apportionment or indemnity be required. The tithe rent-charge, land tax, and other outgoings understood to be payable have been similarly divided, but for the purposes of this sale only, and the vendor shall not be called upon to give any legal effect to such a division, nor shall any objection be made nor indemnity be required in respect thereof.

XXIII.—The plan is prepared and the quantities are taken from the Ordnance Survey of Great Britain, recently corrected by the auctioneers. The property is believed and shall be taken to be correctly described as to quantity and otherwise, and, having been open to inspection, purchasers shall be deemed to buy with full knowledge of the actual quantities and condition thereof. No compensation or abatement shall be given or allowed on either side in the event of any error or mis-statement whatever being found in the Particulars or Conditions, nor shall the sale be annulled thereby. Should any dispute arise between the vendor and a purchaser as to the boundary of the estate, or any point whatsoever contained in the plan and particulars attached hereto, or in the interpretation of any part thereof, the matter in dispute shall be referred to the arbitration of the auctioneer, whose decision shall be conclusive and binding on all parties, and who shall also decide how the costs of such reference shall be borne.

XXIV.—All valuations mentioned in the above conditions shall be made at the joint expense of the vendor and purchaser in manner following—that is to say, by a member or representative of the firm of Messrs. ——— & ——— or Messrs. ——— & ——, as valuers on behalf of the vendor, and by a valuer appointed by the purchaser as his representative, or by an umpire to be named by the valuers before proceeding to the valuation; and if the purchaser refuse or neglect to name a valuer, or to notify such nomination in writing to the auctioneer as agent for the vendor, within twenty-one days after the signing of the contract, or if the valuer named by either party refuse or neglect to act for ten days after notice in writing from the other valuer calling upon him so to do, then the valuation shall be made by the valuer (if his nomination shall have been duly notified in writing to the party in default) of the other party, or failing such valuation, the said timber

and other things shall be taken and paid for by the purchaser at their fair value. Before proceeding to settle the valuations hereinbefore referred to the valuers shall appoint an umpire, whose decision shall be conclusive and binding upon both parties, and if such appointment be not made at least one calendar month before the date fixed for completion of the purchase, such umpire shall be appointed by the Board of Agriculture upon the application of either party or his valuer. The price of the timber and other things to be ascertained as aforesaid shall, for all the purposes of these Conditions (except as to payment of deposit), be deemed to be part of the purchase-money.

XXV.—The vendor being abroad, the conveyances will, as regards him, be executed by attorney, and the purchaser or purchasers shall be satisfied with such execution, and shall assume that such power of attorney is valid and subsisting without requiring any evidence that such vendor is alive or otherwise.

LASTLY.—If any purchaser shall neglect or fail to comply with the above Conditions, his deposit may be treated as forfeited, and the vendor shall be at liberty, with or without notice, and notwithstanding any pending negotiations, proceeding, or litigation, to resell the property bought by such purchaser, either by auction or private contract, at such time, and under such conditions as he may deem proper, and all expenses attending such resale, or attempted resale, and any deficiency of price obtained on a resale, shall immediately thereafter be made good by the defaulter at the present sale, and shall be recoverable by the vendor as liquidated damages.

AGREEMENT.

I

of

hereby acknowledge myself to be the purchaser of Lot — of the property described in the within Particulars, at the sum of , and I have paid as a deposit and in part payment of the said purchase-money, and I hereby agree to pay the remainder thereof, and to complete the purchase according to the within Conditions of Sale and annexed Particulars, and Stipulations therein contained.

Dated this day of , 19 .

Purchase-money	£	:	:
Deposit	£	:	:
Balance	£	:	:

As Agents for the Vendor,

we hereby confirm this sale, and, as Stakeholders, acknowledge receipt of the above-mentioned deposit.

PRO FORMA CONDITIONS OF SALE.

(Reversions, Shares, Debentures, &c.)

I.—The highest bidder shall be the purchaser, and if any dispute arise as to the highest bidder, the lot in dispute shall be put up again and resold; and the auctioneers reserve to themselves the right of accepting or refusing any bid or bids.

II.—That no person shall advance less than £2 at each bidding for lots under £100 in value, £5 for lots under £1,000, £10 for lots above £1,000. No person to retract any bidding once made. The vendor or vendors reserve to him or themselves the right to fix a reserved price, and to bid up to that sum by him or themselves, or by his or their agent, or by the auctioneers.

III.—That the purchasers shall pay down immediately into the hands of the auctioneers a deposit of £20 per cent. in part of the purchase-money for each lot, and sign agreements for payment of the remainder on or before the — ———— 19— (except as to lots otherwise provided for) at the offices of the respective vendors' solicitors, when and where the purchases are to be completed; but should the completion of the purchases be delayed from any cause whatever, other than the wilful default or neglect of the vendor, beyond that period, the purchasers are (but without prejudice nevertheless to the vendors' rights under the 7th or any other Condition of Sale) to pay interest on the balance of the purchase-money, from that day until the completion of their purchase, at the rate of £5 per cent. per annum.

IV.—That the purchasers shall have proper conveyances, assignments, or transfers of the lots, to be prepared by, and at the expense of, the purchasers, the costs of approval on behalf of and execution by the vendors and all other necessary parties (if any) to be borne by the vendors, and on payment of the remainder of the purchase-money, agreeably to the 3rd Condition, the purchasers will be entitled to all advantages on the reversions and policies from the hour of sale, and to the current half-year's dividends, or the interest on annuities, life interests, mortgages, shares, &c., except where the same are hereafter otherwise specially provided for; but all premiums on policies due, falling due, or becoming payable within the days of grace between

the day of sale and the completion of the purchase, are to be repaid to the vendors by the respective purchasers thereof.

V.—That the vendors will furnish, at their own expense, an abstract of the wills, deeds, or documents under which they respectively derive title, subject to the special conditions relating to each lot. But the expense of all journeys to the offices of the vendors' solicitors, or elsewhere, to examine such wills, deeds, or documents, and of all attested, official, and other copies of, or extracts from, wills, deeds, decrees, orders, reports, or other documents, and all certificates of burials, deaths, marriages, births, or baptisms, and all other documentary or other evidence whatsoever, and also the expense of and attending the production of all such original documents not in the vendors' possession, and the expense of all statutory declarations as to identity of parties or otherwise (whether for the purpose of verifying the abstract or otherwise), and deeds of covenant for the production of deeds and documents, and the procuring of and enquiries relating to the same, shall be borne by the party requiring the same.

VI.—That if, through any mistake, the lot or lots should be improperly described, or if there should be any error, omission, or misstatement in the Particulars, such error, omission, or misstatement shall not vitiate the sale, but the vendors or purchasers, as the case may happen, shall, except as to lots otherwise provided for, pay or allow a proportionate value, according to the average of the whole purchase-money, as a compensation either way; such proportionate value to be determined by any person to be agreed upon by the vendors and purchasers, within one week after the objection shall have been made to the vendors, or by the President of the Institute of Actuaries for the time being, whose fees shall be borne equally by the vendor and purchaser, in case such referee be not so agreed upon, or shall not have delivered his award to the vendor and purchaser within the said period.

VII., and Lastly.—That should any or either of the purchasers neglect or fail to comply with any or either of the above Conditions or the Conditions referred to below, the deposit-money shall be forfeited, and the vendors or vendor, as the case may require, shall be at full liberty to resell the property sold to such purchaser or purchasers, either by public or private sale; and the deficiency (if any) arising by such second sale, together with all charges attending the same, shall be made good by the defaulter or defaulters at this present sale, and be

recoverable as liquidated damages, and it shall not be requisite for the vendors or vendor previously to tender any assignment or conveyance to such purchaser or purchasers.

NOTE.—In the event of the vendor, or his solicitor, electing to sell, and exchange contracts by private treaty, within three weeks of the auction, the auctioneers claim to be paid their commission as though they had been allowed to pursue the negotiation and exchange contracts, which they are at all times willing to do without making any extra charge in consideration of the same.

For additional Conditions see the foot of the respective lots.

PRO FORMA CONDITIONS OF SALE.

(Miscellaneous Chattels.)

I.—The highest bidder, if in due time, to be the purchaser, but subject to the auctioneer reserving the right of refusing the bidding of any person. Should any dispute arise between two or more approved bidders, or between the auctioneer and any approved bidder, the lot in dispute to be put up again or not *at the discretion of the auctioneer.* The vendor reserves the right to bid.

II.—No person to advance less than 1s. at each bidding up to £2; above £2, 2s., and so on in proportion; nor be allowed to retract a bidding.

III.—The purchasers are to pay down immediately a deposit of *five shillings in the pound*, or such other sum as the auctioneer may name, in part payment (each deposit to be applicable to any lot or all lots purchased), and to give in their names and places of abode when required, in default of which the lot or lots purchased to be at the disposal of the auctioneer.

IV.—All lots to be taken with all faults, imperfections, and errors in description, at the purchaser's expense on the day following the completion of the sale, and the auctioneers will not be responsible for the correct description or genuineness of any lot; the remainder of the purchase-money to be paid before delivery; the lots will be at the buyer's risk from the fall of the hammer; in cases where one buyer purchases more than one lot, the whole of the amount of the lots purchased is to be paid before any one lot is delivered.

No lots will be transferred from one buyer to another.

V.—All lots left after the specified time will be liable to any expenses that may arise from their not having been cleared in accordance with the fourth Condition.

VI.—The purchasers to be answerable for all damage they may do to any lots or to the premises in taking down or removing their respective lots, and to properly make good the same before their lots are removed from the premises.

VII.—Upon failure of complying with the above Conditions, the money deposited shall be forfeited; the lots uncleared within the time aforesaid shall be resold, either by public sale or private contract, and the deficiency (if any) by such second sale, together with all charges attending the same, shall be made good by the defaulter or defaulters at this present sale, and be recoverable as and for liquidated damages, and any surplus that may arise therefrom shall belong solely to the vendor.

VIII.—*The auctioneer to be the sole arbitrator in every matter of dispute.*

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